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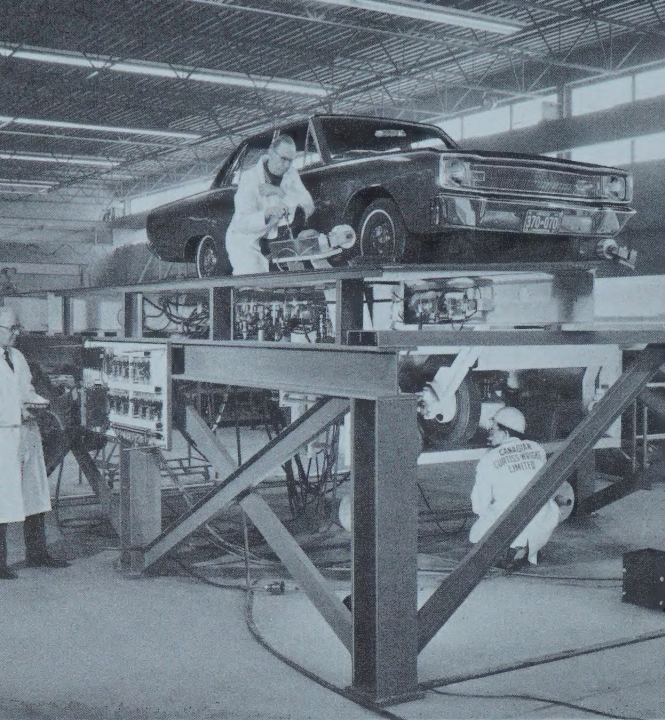
Old

Canadian
Curtiss - Wright,
Limited



1966 ANNUAL REPORT

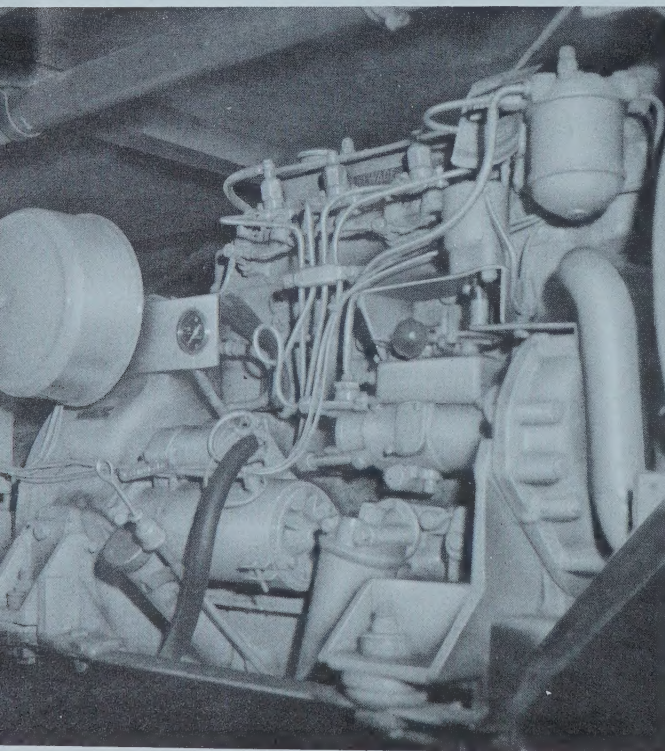
for the year ended December 31.



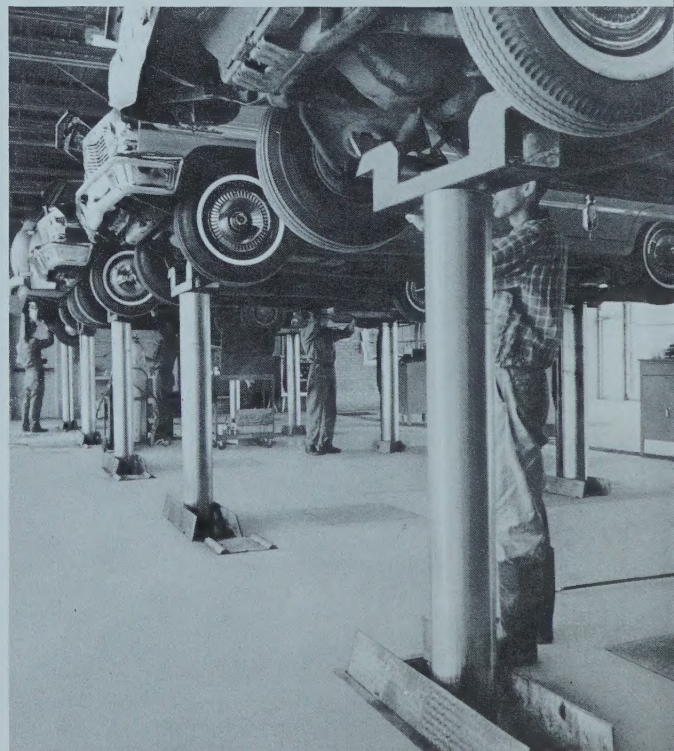
AUTOMOTIVE DIAGNOSTIC EQUIPMENT manufactured by Canadian Curtiss-Wright for sophisticated diagnostic service centres is designed to test the operation of the complete automobile under simulated driving conditions.



THE SNOW VEHICLE illustrated above is representative of 14 different makes powered by engines marketed and serviced in North America by Canadian Curtiss-Wright, to meet demands created by enthusiasm for this new winter sport.



POWER GENERATING UNITS, designed and manufactured by Canadian Curtiss-Wright at Toronto for railway under-car installation are in regular daily North American service on a leading Canadian national transportation network.



HYDRAULIC AUTOMOTIVE LIFTS, shown as installed in a typical service station, are only one example of the complete product line of quality automotive servicing equipment produced by Canadian Curtiss-Wright.

To The Shareholders of Canadian Curtiss-Wright, Limited:

We are happy to report an improvement in 1966 financial results over 1965. After-tax profits for 1966 were \$128,858, compared with \$56,224 for the preceding year. Pre-tax profits for 1966 were \$218,858 versus \$56,224 in 1965, but 1966 income taxes amounted to \$90,000, as compared with none in the previous year. Sales in 1966 were \$6,984,097, compared with \$5,584,616 in 1965.

Shipments of franchised engines again showed an increase in 1966, and a substantial one. With the aim of developing further our existing snow vehicle engine business and penetrating the very large industrial engine market in the United States, we established Industrial Engine Corp., a Delaware Corporation, wholly owned by Canadian Curtiss-Wright, Limited. Orders for prototype engines from a number of important potential industrial users have already been secured.

In 1966 your company entered a new field with the receipt of an order from one of the major oil companies for automotive diagnostic equipment of the four roll inertia type. This equipment, which we believe will be used extensively at manufacturing levels and in automotive diagnostic centres, contributes to automotive safety and reliability, and is being made in our new plant under an exclusive Canadian license from an American company.

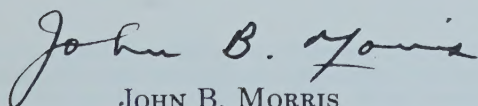
A sizeable order for extruded alloy end fittings was booked in 1966 for future delivery to the new nuclear energy electric generating complex in Pickering, Ontario.

Increased sales of other industrial products more than counterbalanced the expected continued decline in the sales of aircraft engine spare parts.

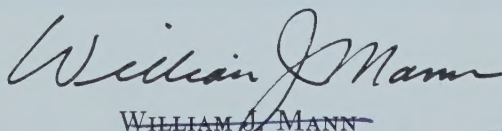
As forecast in the 1965 Annual Report, results for the early part of 1966 were adversely affected by start-up costs at our new manufacturing facility in the Toronto area. The situation was intensified by a truckers' strike, dock strikes in Canada and England, shortages and delayed deliveries of critical materials, and a shortage of skilled and semi-skilled labour in the area. The supply and delivery problems are largely behind us for the time being, and the labour situation, although still tight, showed improvement late in the year. In the last few months of 1966, increased productivity contributed to better operating results, thus enabling us more fully to realize the economic advantages of our new plant.

We approach 1967 with a sizeable backlog, confident that favourable trends in sales volume and earnings will continue.

In the year past, the transfer of all our activities into a new plant, the increased sales volume and the special situations described above, all placed unprecedented demands on our people. The Officers and Directors record their appreciation to all employees, whose loyalty, enthusiasm and resourcefulness in meeting new challenges contributed to our improved results. We also thank our shareholders for their continued interest and support.



JOHN B. MORRIS
Chairman of the Board



~~WILLIAM J. MANN~~
~~President~~

NO LONGER
PRESIDENT
LEFT COMPANY

March 14, 1967



ASSETS

	1966 \$	1965 \$
Current Assets		
Cash.....	84,706	207,328
Short-term deposits.....	—	200,000
Accounts and notes receivable.....	1,406,388	1,191,163
Inventories—at the lower of cost or net realizable value (note 1).....	1,381,913	999,941
Prepaid expenses.....	18,937	20,958
Income taxes recoverable.....	—	7,356
	<u>2,891,944</u>	<u>2,626,746</u>
	Cost	Accumulated
	\$	depreciation
		\$
Fixed Assets		
Equipment and leasehold improvements.....	353,476	186,069
Property held for sale—at cost less accumulated depreciation.....	75,640	79,585
	<u>243,047</u>	<u>206,552</u>
Other Assets		
Franchises—at cost, less amounts written off.....	113,888	141,298
Goodwill—at cost.....	30,737	30,737
	<u>144,625</u>	<u>172,035</u>
	<u>3,279,616</u>	<u>3,005,333</u>

APPROVED ON BEHALF OF THE BOARD

JOHN B. MORRIS }
WILLIAM J. MANN } DIRECTORS

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Canadian Curtiss-Wright, Limited and subsidiaries as of December 31, 1966 and the related consolidated statements of earnings and retained earnings and source and use of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously made a similar examination for the year ended December 31, 1965.

ANCE SHEET AS OF DECEMBER 31, 1966

LIABILITIES

	1966 \$	1965 \$
Current Liabilities		
Accounts payable and accrued liabilities	719,004	481,235
Income and other taxes payable	102,834	18,783
Due to parent company	568,520	744,915
	<u>1,390,358</u>	<u>1,244,933</u>

SHAREHOLDERS' EQUITY

Capital Stock (note 2)		
Authorized —		
5,000,000 shares without par value		
Issued and fully paid —		
4,347,730 shares	1,495,608	1,495,608
Retained Earnings	393,650	264,792
	<u>1,889,258</u>	<u>1,760,400</u>
	<u>3,279,616</u>	<u>3,005,333</u>

NOTES

1. INVENTORIES

These are classified as follows:

	1966 \$	1965 \$
Finished goods	665,601	311,978
Work in process	157,020	66,327
Raw materials	559,292	621,636
	<u>1,381,913</u>	<u>999,941</u>

2. RESERVATIONS OF CAPITAL STOCK

100,000 shares of the authorized capital stock have been set aside for the purpose of granting stock options to employees. Options have been granted to purchase 12,000 shares on or before May 2, 1967 at \$1.15 per share.

3. INCOME TAXES

The provision for income taxes has been reduced by \$30,000 because of the application of prior years' losses of a subsidiary.

4. LEASE

A subsidiary has a lease for land and a building (the corporate headquarters and consolidated manufacturing plant at Toronto) terminating in 1970 requiring the payment of an annual rental of \$32,909. The subsidiary has an option to renew for additional periods to 1985.

5. CAPITAL COMMITMENT

There is a commitment to purchase land adjacent to the leased property referred to in note 4. This commitment, which is not reflected in the accompanying consolidated balance sheet, amounts to \$56,500.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings and retained earnings and source and use of funds, when read in conjunction with the notes thereto, present fairly the consolidated financial position of the companies as of December 31, 1966 and December 31, 1965 and the consolidated results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Copers & Lybrand

CHARTERED ACCOUNTANTS

Toronto, January 25, 1967

Canadian Curtiss



Wright, Limited

and Subsidiaries

Consolidated Statement of Earnings and Retained Earnings

for the Year Ended December 31, 1966

	1966 \$	1965 \$
Sales.....	6,984,097	5,584,616
Cost of sales.....	5,900,799	4,818,326
	<u>1,083,298</u>	<u>766,290</u>
Selling, general and administrative, and financial expenses.....	871,731	730,708
	<u>211,567</u>	<u>35,582</u>
Other income.....	7,291	20,642
	<u>218,858</u>	<u>56,224</u>
Provision for income taxes (note 3).....	90,000	—
Net earnings for the year.....	<u>128,858</u>	<u>56,224</u>
Retained earnings—Beginning of year.....	264,792	241,323
	<u>393,650</u>	<u>297,547</u>
Expenses of moving to new plant.....	—	32,755
Retained earnings—End of year.....	<u><u>393,650</u></u>	<u><u>264,792</u></u>
The following are included in the above statement:		
Depreciation of fixed assets.....	50,152	42,363
Amortization of franchises.....	27,409	51,583
Directors' fees.....	2,600	2,100
Interest expense.....	6,934	5,409
Profit on disposal of fixed assets.....	147	21,864

Canadian Curtiss Wright, Limited

General Office: 500 Carlingview Drive, Rexdale, (Toronto), Ontario

Consolidated Statement of Source and Use of Funds

for the Year Ended December 31, 1966

	1966	1965
Source of funds	\$	\$
Net earnings for the year.....	128,858	56,224
Add: Depreciation and amortization of franchises.....	77,561	93,946
	<u>206,419</u>	<u>150,170</u>
Proceeds on disposal of fixed assets		
less profit or loss included above.....	10,391	29,051
	<u>216,810</u>	<u>179,221</u>
Use of funds		
Purchase of fixed assets.....	97,037	81,272
Expenses of moving to new plant		
less write-off of leasehold improvements.....	—	26,829
	<u>97,037</u>	<u>108,101</u>
Increase in working capital.....	119,773	71,120
Working capital — Beginning of year.....	1,381,813	1,310,693
Increase in working capital.....	119,773	71,120
Working capital — End of year.....	<u>1,501,586</u>	<u>1,381,813</u>

DIRECTORS

JAMES G. BYRON
Senior Personnel Advisor
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.

JACK PEMBROKE
Chairman of the Board
The Royal Trust Company,
Montreal, P.Q.

HERBERT J. KNELL
Facilities Engineer
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.

TOM F. G. LAWSON
President
Lawson & Jones Limited,
London, Ontario.

MARTIN A. SHERRY
Controller
Curtiss-Wright Corporation,
Wood-Ridge, N.J., U.S.A.

~~WILLIAM J. MANN~~
President
Canadian Curtiss-Wright, Limited,
Toronto, Ontario.

JOHN B. MORRIS
Vice-President
Curtiss-Wright Corporation, Wood-Ridge, N.J., U.S.A.

OFFICERS

JOHN B. MORRIS
Chairman of the Board

~~WILLIAM J. MANN~~
President

FRANK H. MILLER
Treasurer

CHARLES F. SCOTT, Q.C.
Secretary

FRANCIS E. FALLON
Assistant Secretary

Transfer Agent and Registrar: THE CANADA TRUST COMPANY, 33 Adelaide Street West, Toronto 1, Ontario.
Corporate Counsel: GOWLING, MAC TAVISH, OSBORNE & HENDERSON, 116 Albert Street, Ottawa 4, Ontario.

